

# BUDGET LETTER

NUMBER : 97-06

SUBJECT: 1998-99 BUDGET PREPARATION GUIDELINES

DATE ISSUED: MAY 28, 1997

SUPERSEDES: 96-03

**TO:** Agency Secretaries  
Department Directors  
Departmental Budget Officers  
Departmental Accounting Officers  
Department of Finance Budget Staff

## **FROM: DEPARTMENT OF FINANCE**

This Budget Letter provides guidelines for the technical/procedural preparation of the 1998-99 Governor's Budget. A Budget Letter containing policy guidelines will be issued separately. Strict adherence to all schedules and due dates stipulated in this memo and in the attachments is required. **Until release of the Governor's Budget, please be reminded that all information contained in budget documents used during the development process is strictly confidential.**

*THIS BUDGET LETTER IS AVAILABLE ON THE DEPARTMENT OF FINANCE (DOF) BUDGET LETTER HOME PAGE AT THE FOLLOWING INTERNET ADDRESS:*

***HTTP://WWW.DOF.CA.GOV/HTML/BUDLETT  
/LETTERS.HTM***

## **BUDGET TIMETABLE AND CONTENT**

### **A. SUBMITTAL OF INITIAL BUDGET GALLEY**

As in past years, DOF will distribute a double-spaced budget galley to each department for use in preparing an initial budget. **DOF will work with each**

**department to determine specific due dates for submission of each budget galley. Generally, initial baseline budget galleys are processed during the month of October.** The initial budget galley and all subsequent updates must be submitted under the signature of the department head, or his/her designee. Please refer to **Attachment I** for specific budget preparation procedures.

A Budget Preparation Calendar is provided to assist departments with the overall planning of the budget process (see Attachment II).

### **B. ADJUSTMENTS TO INITIAL BUDGET GALLEY**

**No policy adjustments will be incorporated into the initial budget galley or Planning Estimates, with the exception of proposed deficiencies approved by DOF.** Budgets will include the following adjustments:

- 1. Current Year Only** -- Section 27.00 and 28.00 requests only if DOF written request for approval has been submitted to the Legislature.
- 2. Current Year and/or Budget Year--** Carryover appropriation balances, financial legislation with specific

appropriation, limited-term positions, expiring programs, reduction for one-time costs, full-year costs of current year programs, and other adjustments approved by DOF.

### **C. BUDGET CHANGE PROPOSALS (BCPs)**

**Refer to a future Budget Letter (to be released soon) for the Budget Change Proposal (BCP) form and specific instructions on how to complete the form. The BCP form has been modified to facilitate on-line preparation; there is no substantive change. For departments that have already started the preparation of BCPs with the existing form, it is acceptable to submit the proposals on the existing BCP form.**

**BCPs must be submitted to DOF no later than September 10, 1997. [Exception: BCPs for chaptered legislation and late requests approved by Finance (see below)]. Departmental requests for budget bill language changes must also be submitted by September 10.**

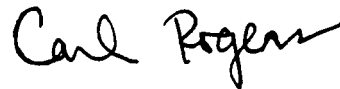
**BCPs which request funding for legislation chaptered through August 26, 1997, must be submitted by September 10, 1997. However, for bills enacted after August 26, BCPs must be submitted no later than 10 working days**

**after chaptering of the bill. No BCP for chaptered legislation will be accepted if submitted after the applicable time limit unless prior DOF approval has been granted.**

Permission to submit a request for late BCP submittal must be approved by the Agency Secretary or Departmental Director for those departments which do not report to an Agency Secretary. To assist in preparing for and scheduling budget hearings, these requests must be submitted, in writing, to **Dennis Hordyk**, Assistant Director, Department of Finance by **August 26, 1997**. Requests for late submittal should only be for those issues involving the most exceptional circumstances.

Price Letter Standards for 1998-99 will be distributed under separate letter in July and should be used in conjunction with the Department of General Services' Price Book for BCP pricing purposes only.


If you have any questions, please contact your Department of Finance budget analyst.



CARL ROGERS  
Program Budget Manager

Attachments

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- Budget Change Proposal Form
- Payment of Attorney Fees

## **BUDGET PREPARATION PROCEDURES**

### **BUDGET NARRATIVE AND PROGRAM STRUCTURE**

Guidelines covering the budget narrative, program structures and coding for the Governor's Budget will be issued under a separate Budget Letter which will be transmitted with budget galley.

0088 through 0091, 0094, 0095, and 0097) and economic uncertainty funds (0374, 0375 and 0377)

**August 20** All other funds

### **BUDGET BILL APPROPRIATIONS FORMAT**

All budgets must be submitted in the program appropriations format. Any exceptions require DOF Program Budget Manager approval.

Departments are responsible for both the accuracy and timeliness of the year-end reports. Government Code Section 12461.2 authorizes the State Controller to withhold any or all operating funds from a department if that department fails to submit complete and accurate financial reports to the State Controller within 20 days of the prescribed due dates. Therefore, state departments should plan carefully to meet year-end reporting deadlines. To assist this process, CALSTARS departments are reminded of the availability of sample task lists, checklists, year-end training sessions, and individualized assistance through the CALSTARS Hotline, 327-0100. Departments may also contact the DOF, Fiscal Systems and Consulting Unit, for assistance at 324-0385.

### **REORGANIZATIONS**

All changes to departmental program structure must be submitted by September 10, 1997, and approved by the DOF prior to being reflected in budget galley. When considering reorganizations, departments are referred to Article 1, commencing with Section 11150 and Article 7.5, commencing with Section 12080 of the Government Code, as well as Section 0130 of the State Administrative Manual.

### **ROUNDING TO THOUSANDS**

All amounts in the Governor's Budget must be rounded to thousands. This means that budget galley, Planning Estimates, Budget Change Proposals, and supplementary schedules will be prepared using thousands rather than whole dollars. (EXCEPTIONS: **Schedule 10s are in whole dollars.** The Salaries and Wages Supplement must be prepared in whole dollars and rounded to thousands in the Summary by Object in the budget galley.) Amounts from \$500 to \$999 will be rounded to \$1,000.

### **FINANCIAL REPORTING REQUIREMENTS**

The following schedule applies to year-end financial statements for submittal to the State Controller's Office and the State Treasurer's Office.

**July 31** General Fund, feeder funds (0081, 0084, 0085, 0086,

Amounts from \$0 to \$499 will be rounded to \$0.

Departments are to post rounded detail figures (Budget Act appropriation, allocation for employee compensation, etc.) to the Reconciliation with Appropriations (RWA) and add the rounded detail for fund and character totals. This may result in a difference of \$1,000 or \$2,000 between the RWA appropriations and Schedule 10s totals. This difference is acceptable.

#### **SCHEDULE 10S (SUPPLEMENTARY SCHEDULE OF APPROPRIATIONS)**

Expenditure amounts posted on the budget galley must agree with dollar amounts contained in the Schedule 10s for the past, current, and budget years. It is anticipated that initial past year Schedule 10s will be distributed in July and returned to DOF by **August 29**. It is the responsibility of the department to assure that amounts for the past year agree with Year-End Financial Reports submitted to the State Controller's Office. In cases of discrepancies, such as timing differences, departments must provide a written explanation to their Finance budget analyst.

It is anticipated that beginning the first week of September, updated past year Schedule 10s and initial current year and budget year Schedule 10s will be distributed by DOF to departments.

These documents must be resubmitted with the initial budget galleys. Amounts for the current and budget years must agree with the latest revised Planning Estimates and may only include baseline adjustments. **(NOTE: Current year and budget year Schedule 10s will not be**

**generated and forwarded to departments until the completed past year Schedule 10s have been submitted to DOF.)** For detailed instructions on preparation of initial past year Schedule 10s, please refer to the Budget Letter that will be attached to the past year Schedule 10s.

To assist departments with this process, the DOF will be providing training on: (1) Schedule 10s and their relationship to the Governor's Budget; and (2) posting expenditures from year-end statements to past year Schedule 10s.

#### **SCHEDULE 10RS (SUPPLEMENTARY SCHEDULE OF REVENUE AND TRANSFERS)**

A future Budget Letter will provide instructions regarding Schedule 10Rs for reporting revenue and transfer data for the Governor's Budget.

#### **SCHEDULES 7A AND 8 (SALARY AND WAGES SUPPLEMENT)**

DOF will provide instructions for the Salaries and Wages Supplement in a separate Budget Letter which will be transmitted with the Salaries and Wages galley.

#### **BUDGETING FOR PROPOSED NEW POSITIONS**

Proposed new positions must be budgeted at the first step of the salary range for a given classification. A minimum of five percent salary savings must be budgeted for new positions. Related operating expenses must also be

budgeted at minimum levels and should correspond to actual average past year expenditures for variable costs for the type of position being requested or eliminated.

### **CONTINUOUSLY VACANT POSITIONS**

Government Code Section 12439 requires that positions continuously vacant during the period October 1 through June 30 of a fiscal year be abolished by the State Controller effective July 1, with specified exemptions. Requests to re-establish positions abolished due to technical errors such as documentation errors, key entry errors and lost documents must be made by submitting an original Std. Form 607 and appropriate backup justification to your DOF budget analyst no later than **September 2, 1997. Do not send any requests to re-establish positions directly to the State Controller.**

### **POSITIONS NOT FUNDED FOR THE FULL YEAR**

Prior to last year, positions and related dollars for those positions not funded for a full year (both proposed new positions and reductions of positions) were budgeted at full position and dollar counts and adjusted by a "partial year adjustment". During the 1997-98 development of the Governor's Budget, the use of Partial Year Adjustments was discontinued. The State Controller's Office accommodates positions established or terminated at any point during the fiscal year. With this treatment, departments must indicate the actual establishment and/or termination date on all 607s, as applicable.

This change also applies to the Schedules 7A and 8, the Changes in Authorized Positions schedule included in departmental budget presentations, and in the Change Book process.

For computation purposes, an average personnel year equates to 1,778 actual working hours per year (see State Administrative Manual Section 8740). **Use this base in computing the decimal equivalent of a position authorized for only part of a fiscal year.**

Personnel year equivalents should be recorded to the nearest 1/10. For example, 2 new positions effective for 9 months would equal a net 1.5 personnel years:

$$2 \times .75 = 1.5$$

### **BLANKET AUTHORIZATIONS**

Departments no longer need to submit Std. Form 607s to DOF to establish blankets for payment of temporary help, overtime, etc. Moreover, the State Controller's Office no longer controls expenditures from established blankets to any specified funding level. Each department, however, should establish internal controls and continue to monitor all blanket expenditures to ensure that expenditures do not exceed budgeted funds. The State Controller's Office will continue to pay from blankets and submit monthly and year-end blanket expenditure reports to each department.

### **SUPPLEMENTARY SCHEDULES**

The baseline and final version of budget galley **must** be accompanied by Supplementary Schedules of Operating

Expenses, Equipment, Federal Funds, and Reimbursements. These schedules must include complete past year, current year, and budget year data. **Refer to attachments III, IV, and V for the forms to be used for this purpose. Attachments III & IV were previously State Standard Forms 34 & 39 and are replaced by newly created DOF forms DF-300 and DF-301. Attachment V (DF-302), previously State Standard Form 36, was discontinued in 1990. These forms are available in Microsoft Word 7.0 for Windows by obtaining a floppy disk from your DOF analyst or by obtaining the Word file from the DOF Budget Letter Home Page on the Internet (refer to page 1 of this Budget Letter).**

**It is essential that these schedules be prepared and submitted with budget galley.** If subsequent adjustments to these schedules are required, revised schedules must be forwarded to the DOF.

Copies of the final updated schedules are due to DOF as soon as possible. (The exact number of copies needed will be determined at a later date and addressed in a future Budget Letter.) All **final** supplementary schedules must be submitted to the DOF with the last pass of budget galley, but not later than **January 5, 1998**, and must tie to the Governor's Budget. DOF will forward the schedules to the Legislative Analyst's Office and Legislative budget staff.

### **FUNDING FOR NEW CALSTARS IMPLEMENTATIONS**

Several departments will be incurring new costs in 1998-99 relating to implementation of CALSTARS on July 1, 1998. These departments and

their DOF budget analyst will be advised individually in late August if any budget adjustments are necessary.

### **INFORMATION TECHNOLOGY LINE-ITEM DISPLAY IN THE GOVERNOR'S BUDGET**

Although "information technology" is not displayed as a separate line in the Summary by Object, departments must report these costs in a manner that distinguishes the department's internal costs from consolidated data center costs in the Supplementary Schedule of Operating Expenses and Equipment.

Departments are required to inform each data center from which they intend to obtain services of (1) all activities and any significant changes in information technology services anticipated, and (2) the information technology equipment which will be included in their budget but obtained by the data center. Failure on the part of the department to inform the data center could have an adverse impact on the center's ability to support the procurement.

### **MAJOR CAPITAL OUTLAY BUDGET REQUESTS (COBCP)**

Limited revisions to departments' COBCPs and five-year programs, submitted by February 3, 1997, will be accepted by DOF up through August 1, for any of the following reasons:

- Changes in construction indexes;
- Conforming action to the 1997-98 Budget (update must be technical in nature); and
- Conforming action/justification to the department's strategic plan, if that

plan was not adopted by February 3, 1997.

Changes for any other reason will be deferred to the 1999-2000 capital outlay budget cycle. Departments which have had capital outlay proposals returned due to insufficient architectural programming detail must coordinate information needs with the Office of Project Development and Management, Department of General Services.

The Capital Outlay process is described in SAM Sections 6501 through 6780. These sections are being updated; the revision will be released during the Fall of 1997.

### **MINOR CAPITAL OUTLAY REQUESTS**

Minor capital outlay requests are due to DOF by **July 11, 1997**. The limit for minor capital outlay projects is \$250,000, with the exception of certain departments in the Resources Agency.

### **PRO RATA ASSESSMENTS AND SWCAP ALLOCATIONS**

Specific information on Pro Rata and SWCAP (Statewide Cost Allocation Plan) will be available by **mid-October**. See the discussion on Central Administration Services in the Price Letter Standards, to be provided as a separate document, for general guidelines. Necessary adjustments will be reflected as baseline adjustments on the Planning Estimates.

### **CONTINUOUS APPROPRIATIONS**

Section 30.00, Budget Bill of 1998, will propose that all continuous appropriations for encumbrance be extended through

the 1998-99 fiscal year. Without this extension, continuous appropriations would sunset June 30, 1998, pursuant to Section 30.00 and existing law.

### **PLANNING ESTIMATE ADJUSTMENTS**

Initial Planning Estimates (computer-generated) for currently authorized program levels (exclusive of capital outlay and continuous appropriations) for all funds will be issued by DOF in August. DOF will be responsible for developing Planning Estimates in consultation with departmental staff. Direction for policy adjustments will be issued as information becomes available. Planning Estimates may include the following adjustments as appropriate.

### **CURRENT YEAR ONLY**

#### **Proposed Deficiencies**

In the event that contingencies or emergencies arise which would cause a department to over-expend its appropriation for 1997-98, the department must notify its DOF budget analyst immediately, in writing. Departments are reminded that the reporting requirements contained in Section 27.00 of the 1997 Budget Act for deficiency funding must be met and that expenditures which will necessitate deficiency funding shall not be made without prior written approval from DOF.

**An adjustment can be made to the current year budget and Planning Estimate only if the deficiency has been approved by DOF (i.e., an approval notification letter has been sent to the Legislature -- not the 10-**

### **day notification of receipt) by December 19, 1997.**

Requests for deficiencies from the Augmentation for Contingencies or Emergencies Budget (Item 9840) will be summarized by DOF for inclusion in the annual deficiency bill. However, if a department determines, with the consent of the DOF, that special circumstances (unusually large amount, the need for early funding or the sensitivity of the issue) justify a special bill, the department may sponsor its own deficiency bills. Deficiencies that are not subject to Section 27.00 reporting requirements also must be approved by DOF before they can be included in Planning Estimates or budget galley.

All deficiency appropriations must be identified in the Planning Estimates. Supporting documentation must reflect whether the deficiency is enrollment/caseload/population-driven, financial legislation or other.

When posting deficiencies on Schedule 10s and on budget galley, a distinction must be made as to the source of the deficiency appropriation. If the funding will be requested from the Augmentation for Contingencies or Emergencies Budget, the entry should read "Allocation for contingencies or emergencies". If the department is sponsoring its own deficiency bill, the entry should read "Proposed Deficiency Bill".

### **CURRENT YEAR AND BUDGET YEAR**

**Appropriation Balances Carried Forward (Carryover Appropriation Expense)**

Appropriation balances are to be carried forward from a prior year when funds are still available and program requirements are continued. Carryovers from 1996-97 to 1997-98 must be included initially on an estimated basis and ultimately must agree with the year-end financial statement submitted to the State Controller. Carryovers into 1997-98 which are not expected to be expended and are still available must be included as carryovers into 1998-99 unless a reversion item is to be included in the 1998 Budget Bill. In the case of capital outlay programs, where many appropriations are available for three years, the department must estimate expenditures over the three-year period. In some cases, an appropriation may be carried over into future years (1999-2000). Departmental staff and DOF staff must work with the State Controller's Office to resolve any discrepancies in the authorized carryover estimates to ensure that the budget and the Controller's records agree.

### **Chaptered Legislation**

If funding is requested for chaptered legislation containing an appropriation, the funding can be included in the Planning Estimate. If funding is requested for chaptered legislation which **DOES NOT** contain a specific appropriation, but for which there was a cost identified in the Department of Finance enrolled bill analysis, a BCP is required. **Refer to Page 2 of the transmittal memo for specific time frames for submittal of BCPs pertaining to chaptered legislation.**

### **Employee Compensation**



To date, the Department of Personnel Administration (DPA) has reached agreement with one of the State's 21 collective bargaining units to replace the agreements that expired on June 30, 1995. Specifically, a Memorandum of Understanding (MOU) was reached by DPA and the California Association of Highway Patrolmen and was ratified by Chapter 768, Statutes of 1995.

As of the date of this letter, ongoing negotiations continue between the DPA and the remaining 20 state employee collective bargaining representatives. Any new agreements will require legislative ratification. Consequently, any instructions related to employee compensation are contingent upon the outcome of collective bargaining and legislative ratification of MOUs.

### **Employer Retirement Contribution Rates--Public Employees' Retirement System (PERS)**

A Budget Letter will be forthcoming to provide instructions for both the current and budget years.

### **Limited-Term Positions, Expiring Programs and Continuously Vacant Positions**

Planning Estimates and initial budget galleys must be adjusted for limited-term positions/expiring programs and continuously vacant positions. Adjustments must include reductions for both Personal Services and Operating Expenses and Equipment, where appropriate.

### **One-Time Costs**

Planning Estimates must be adjusted downward for the impact of one-time costs. A brief description of the adjustment **must** be included.

### **Transfers**

Transfers between items of appropriation must be reflected separately on the Planning Estimate on the lines provided for that purpose. Any transfer must be authorized in the Budget Act, special legislation or other statutes.

### **Miscellaneous Adjustments**

Other Adjustments include any changes that do not appropriately fit in any other categories on the Planning Estimate Worksheet (e.g., pro rata adjustments). A brief description of the adjustments **must** be included. Program Budget Managers will determine whether the adjustments are baseline or policy.

### **BUDGET YEAR ONLY**

#### **Price Increase for Operating Expenses and Equipment (OE & E)**

Price Increase Adjustments are considered policy adjustments and will **not** be included in the Planning Estimates or budget galleys unless specifically approved by DOF.

#### **Merit Salary Adjustment (MSA)**

Merit Salary Adjustments are considered policy adjustments and will **not** be included in the Planning Estimates or budget galleys unless specifically approved by DOF.

**Cost-of-Living Adjustments (COLAs)**

Discretionary COLAs are considered policy adjustments and will **not** be included in the Planning Estimates or budget galleys unless specifically approved by DOF.

**Full-Year Costs of Programs Initiated in the Current Year**

Full-year costs for programs authorized to begin after July 1 in the 1997-98 budget may be included as baseline adjustments for 1998-99 at the discretion of the Program Budget Manager. Increases which are greater than the amounts previously documented in BCPs or other documents must be fully justified through the BCP process.

**Enrollment/Caseload/Population Adjustments**

All enrollment, caseload or population adjustments are considered policy changes and must be forwarded to, and cleared through, the Program Budget Manager at DOF. If approved, these adjustments will be reflected in the Planning Estimates.

**Other BCPs**

BCPs that are not enrollment, caseload, population, cost-of-living adjustment, or financial legislation are reflected as "Other BCPs" on the Planning Estimates.

## Annual Budget Preparation Calendar\*

	July	August	September	October	November	December	January
1	Continued technical		Updated past year	Baseline budget	Finalization of Governor's proposed initiatives		
2	budget development		and initial current	galley (including all			
3	instructions issued by		and budget year	supporting			
4	DOF		Sch 10s to depts	schedules) to			
5		Annual price letter,		Finance.			Updated
6	Minor capital outlay	price book, budget	Completed Salaries/ Wages Supplements (Schedules 7A/8) to Finance				Supplementary
7	requests to Finance	policy and employee					Schedules to
8		compensation					Finance
9		instructions, and			DOF Director's budget		
10		Schedule 7A galley to			decision hearings		
11		depts	All BCPs (including				
12			policy initiatives)			Governor's final	
13			and budget bill			briefing by Finance	Governor's
14			changes due to				Budget and
15			DOF				Budget Bill to the
16	Preprinted budget				Update/turnaround of		
17	galley, initial past year	Departments complete	Schedule 10Rs to		budget galley/schedules to		
18	Schedule 10s and	automation proposals	depts	Pro rata	reflect DOF Director's		
19	Controller's Schedule 8	and non-General Fund		assessments/ SWCAP allocations	decisions		
20	tabulations to depts	year-end financial		to depts		Finalization of all	
21		statements		Finance analyzes all		galley and budget	
22				BCPs and conducts		documents to	
23		Initial planning		budget hearings with		reflect Governor's	
24		estimates to depts		Agencies and depts		decisions	
25							
26	Depts complete fiscal assessment					Budget galley "put	
27	and development of budget					to bed"	
28	requests						
29						Verification of	
30		BCPs, organizational				budget bill	
31	Departments complete	changes, redirections,			Revenue forecast		
	General Fund year-end	program continuation				Development and	
	financial statements	justifications, policy				finalization of	
		items, updated past				Governor's Budget	
		year Sch 10s, and				Summary ("A"	
		revised capital outlay				Page) narrative	
		program to Finance	Schedule 10Rs due				
			to Finance				

**\*Important**

THIS CALENDAR REFLECTS GENERIC TIME FRAMES AND IS PROVIDED TO TARGET CRITICAL "CUT OFF" PHASES IN THE ANNUAL BUDGET DEVELOPMENT SCHEDULE. IT IS A SUMMARY TIMETABLE ONLY. FOR SPECIFIC DEADLINES, PLEASE REFER TO THE APPROPRIATE SECTION IN THIS BUDGET LETTER AND/OR SUBSEQUENT BUDGET DEVELOPMENT INSTRUCTIONS AS THEY BECOME AVAILABLE.

**STATE OF CALIFORNIA**  
**SUPPLEMENTARY SCHEDULE OF OPERATING EXPENSES AND EXPENDITURES**  
 DF-300 (REV 05/97)

*Please report dollars in thousands.*

Department of Finance  
915 - L Street  
Sacramento, CA 95814  
IMS Mail Code: A-15

[illegible]

\* REFER TO UNIFORM CODES MANUAL (OBJECT LINE-ITEM) DISPLAY

<sup>1</sup> TOTAL MUST TIE TO SUMMARY BY OBJECT, BY CHARACTER, AS APPLICABLE.

**STATE OF CALIFORNIA  
SUPPLEMENTARY SCHEDULE—  
FEDERAL FUNDS/REIMBURSEMENTS  
DF-301 (REV 05/97)**

Department of Finance  
915 - L Street  
Sacramento, CA 95814  
IMS Mail Code: A-15

*Please report dollars in thousands.*

DEPARTMENT NAME	BUDGET YEAR		CHARACTER (S.O., L.A., C.O.)	DATE SUBMITTED	PAGE OF
DESCRIPTIVE TITLE	SOURCE OF FUNDS				
	FED. CAT. NO.	REIMB FROM (ORG CODE)	ACTUAL EXPENDITURES PAST YEAR	ESTIMATED EXPENDITURES CURRENT YEAR	PROPOSED EXPENDITURES BUDGET YEAR
TOTALS <sup>1</sup>					

<sup>1</sup> TOTAL MUST TIE TO RECONCILIATION WITH APPROPRIATIONS, BY CHARACTER, AS APPLICABLE.

**SUPPLEMENTARY SCHEDULE—  
FEDERAL FUNDS/REIMBURSEMENTS  
DF-301—INSTRUCTIONS**

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**Federal Funds.** The term "Federal Funds" includes grants, contracts, and reimbursements received **directly** from an agency of the Federal Government and reported as Federal funds in the "Reconciliation with Appropriations" in the Governor's Budget.

**Reimbursements.** The term "Reimbursements" includes external reimbursements other than those received directly from an agency of the Federal Government.

1. **Department Name**
2. **Budget Year.** Insert the dates for the Budget Year in the related Governor's Budget.
3. **Character.** Insert the character of the expenditure. (State Operations, Local Assistance, or Capital Outlay.)
4. **Date Submitted**
5. **Page \_\_\_\_ of \_\_\_\_**
6. **Descriptive Title.** For each grant use, the title or popular descriptive name as listed in the Catalog of Federal Domestic Assistance. For each reimbursement, use the descriptive title in use in the Department.
7. **Source of Funds.**

**Federal Catalog.** For each grant use, the five-digit number assigned in the Catalog of Federal Domestic Assistance. For Federal reimbursements (made direct to reporting department) or contracts, use the Federal Catalog number if the Federal program can be identified. Otherwise, use a five-digit number made up as follows: first two digits (as in the Federal Catalog) to identify the federal department making the contract or the reimbursement, and for the remaining three numbers use 999 (e.g., 13.999 for the Department of Health, Education, and Welfare).

**Reimbursements from.** Report the source of the reimbursements (other than direct federal reimbursements), i.e., another State department.

8. **Expenditures.**

**For Federal funds.** Report separately the direct program cost, departmental indirect cost and statewide indirect cost as applicable for past, current, and budget years by character of expenditures. The totals reported on the Supplementary Schedule must agree with the Reconciliation with Appropriations.

**For reimbursements.** Report the direct and indirect program costs by character of expenditure. The totals must agree with the totals in the Reconciliation with Appropriations.

Department of Finance  
915 - L Street  
Sacramento, CA 95814  
IMS Mail Code: A-15

DEPARTMENT NAME	BUDGET YEAR		CHARACTER (S.O., L.A., C.O.)		DATE SUBMITTED	PAGE OF
EXPENDITURE CLASSIFICATION AND ITEM/DESCRIPTION <sup>2/</sup>	ACTUAL EXPENDITURES PAST YEAR		ESTIMATED EXPENDITURES CURRENT YEAR		PROPOSED EXPENDITURES BUDGET YEAR	
	QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT
TOTALS						

1/ Total must tie to Equipment line on Operating Expenses and Equipment schedule (DF-300), by character, as applicable.  
2/ Indicate the standard nomenclature for the item requested such as typewriter, adding machine, automobile, etc.